GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2767
ANSWERED ON:02.12.2016
Complaints against Gramin Bank
Patel Shri Devji Mansingram

Will the Minister of FINANCE be pleased to state:

(a) whether the Baroda Rajasthan KshetriyaGramin Bank has accumulated nearly Rs.250 crore as processing and investigation fee for Kisan Credit Card (KCC) from as many as 30 lakh farmers during the year 2013 to 2016 and given insurance to them arbitrarily without informing them;
(b) if so, the details thereof and the action taken against Baroda Rajasthan KshetriyaGramin Bank for violating the guidelines of Reserve Bank of India in this regard; and
(c) whether the Government proposes to return the processing and investigation fees to the farmers and if so, the details thereof and the time by which the same is likely to be returned and if not, the reasons therefor?

Answer

Minister of State in the Ministry of Finance

(a) to (c): As per revised Kisan Credit Card(KCC) guidelines issued by Reserve Bank of India (RBI) in respect of Commercial Banks and by National Bank for Agriculture and Rural Development (NABARD) in respect of Regional Rural Banks(RRBs) and Cooperative Banks, processing fee for KCC may be decided by banks. Baroda Rajasthan KshetriyaGramin Bank (BRKGB) has reported that processing fees has been charged by the Bank as per guidelines issued by RBI and NABARD. BRKGB has also informed that no processing fee is being charged for loans up to Rs.50,000/-. BRKGB has further reported that no investigation fee has been charged from the KCC holders.
All farmersavailing Seasonal Agricultural Operations (SAO) loans from Financial Institutions (i.e. loanee farmers) for the notified crop(s) are covered compulsorily under the PradhanMantriFasalBimaYojana (PMFBY). Further, as per revised KCC guidelines issued by RBI and NABARD, the KCC holder is required to pay the premium for mandatory crop insurance through his KCC account. BRKGB has reported that the insurance is being done by them only for those schemes where there is mandatory requirement of insurance.

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